

AMENDMENT TO H.R. 5818
OFFERED BY MS. WATERS OF CALIFORNIA AND
MR. FRANK OF MASSACHUSETTS

Page 3, line 15, before “describe” insert the following: “prioritize the allocation of funds to low- and moderate-income neighborhoods with high concentrations of foreclosures and”.

Page 3, line 16, before “neighborhoods” insert “such”.

Page 4, after line 5, insert the following (and redesignate succeeding paragraphs accordingly):

1 (6) contain such assurances as the Secretary
2 shall require that the housing stimulus activities to
3 be carried out with assistance under this Act shall
4 not result in a significant net loss in rental housing
5 in an area in which such activities are undertaken;

Page 4, line strike lines 13 and 14 and insert the following: “may establish, such as housing for veterans or for homeless persons in accordance with the 10-year plan of the State to end homelessness, or providing housing for school teachers or workforce who are employed by the city or locality in which the housing is located;”.

Page 4, after line 11, insert the following (and redesignate succeeding paragraphs accordingly):

1 (7) provide preference for use of grant and loan
2 amounts in connection with acquisition of qualified
3 foreclosed properties that are acquired no earlier
4 than 60 days after the owner of the property de-
5 scribed in section 11(5)(B) acquired such ownership;

Page 9, after line 17, insert the following:

6 (g) REALLOCATION OF UNUSED AMOUNTS.—The
7 Secretary shall recapture any grant amounts and loan au-
8 thority amounts allocated to a State that are not used in
9 a timely fashion in accordance with section 9, as the Sec-
10 retary shall prescribe, and shall reallocate such amounts
11 among all other qualified States in accordance with the
12 provisions of this Act for allocation of grant amounts and
13 loan authority amounts.

Page 10, line 10, strike “under” and insert “for activities described in”.

Page 10, strike “to” in line 10 and all that follows through “housing” in line 12 and insert “undertaken”.

Page 10, strike line 16 and insert the following:

14 (3) any other entity, as provided in the ap-
15 proved plan of the qualified State under section 4.

Page 10, line 22, strike “2 years” and insert “3 years”.

Page 11, after line 6, insert the following (and re-designate succeeding paragraphs accordingly):

1 (4) be non-recourse;

Page 11, strike lines 12 through 19, and insert the following:

2 (e) PROCEDURE.—A qualified State or, upon its elec-
3 tion, a qualified metropolitan city shall—

4 (1) enter into a loan agreement on behalf of the
5 Secretary on terms established under this Act and
6 any other terms such State or qualified metropolitan
7 city determines appropriate;

8 (2) disburse the loan amount in accordance
9 with such terms, subject only to the absence of suffi-
10 cient loan authority amount for such State or such
11 qualified metropolitan city;

12 (3) monitor such loans; and

13 (4) collect and transmit to the Secretary any
14 loan repayments.

Page 11, line 23, strike “95 percent” and insert “90 percent”.

Page 11, line 24, strike “, including principal and interest,”.

Page 11, line 25, after the period insert the following: “The Secretary may waive such requirement upon a request by a State or qualified metropolitan city if the borrower has demonstrated satisfactory progress in utilizing outstanding loans and sufficient capacity to utilize additional loan amounts effectively.”.

Page 12, line 3, strike “24-month” and insert “48-month”.

Page 12, after line 4, insert the following new section (and redesignate succeeding sections, and any references to such sections, accordingly):

1 SEC. 7. GRANTS.

2 The grant amount of a qualified State may be used
3 under section 8(b) by the State, a unit of local government
4 or a local governmental entity, or a nonprofit organization.

Page 12, line 18, strike “only as rental” and insert “as rental, lease-purchase, or rent-to-own”.

Page 14, strike lines 4 through 7 and insert the following:

5 (2) COSTS RELATING TO PROPERTY ACQUISITION.—For incidental costs involved in acquiring
6

1 qualified foreclosed housing pursuant to subsection
2 (a), including reasonable closing costs, except that
3 grant amounts may not be used to pay any portion
4 of the purchase price for the housing under section
5 12(5)(C).

Page 14, lines 8 and 9, strike “administrative and
planning”.

Page 14, line 14, strike “4 percent” and insert “8
percent”.

Page 14, line 14, strike “grants” and insert
“grant”.

Page 14, after line 17, insert the following:

6 (4) PLANNING COSTS.—For planning costs of
7 the State in connection with this Act, except that
8 the amount of grant amounts provided under this
9 Act to a State that may be used under this para-
10 graph shall not exceed the amount equal to 2 per-
11 cent of the sum of the grant amounts provided to
12 the State pursuant to section 5(a) and the loan au-
13 thority amount allocated to the State pursuant to
14 section 5(b).

Strike line 21 on page 15 and all that follows
through page 16, line 2, and insert the following (and re-

designate succeeding subsections, and any references to such subsections, accordingly):

1 (3) WAIVER.—

2 (A) IN GENERAL.—The Secretary may es-
3 tablish a percentage for purposes of paragraph
4 (2) that is less than 50 percent if a State or
5 qualified metropolitan city certifies that, in ad-
6 dition to any other requirements the Secretary
7 may establish—

8 (i) such State or qualified metropoli-
9 tan city has attempted to use all other fed-
10 erally related resources available to it in
11 combination with the resources available
12 under this Act to meet the requirements of
13 paragraph (2); and

14 (ii) the failure to comply with para-
15 graph (2) will not result in an overall loss
16 of housing affordable to families whose in-
17 comes do not exceed 30 percent of area
18 median in such State or qualified metro-
19 politan city.

20 (B) CONSIDERATION OF HOUSING
21 NEEDS.—In establishing an alternative percent-
22 age for purposes of paragraph (2) for a State
23 or qualified metropolitan city that meets the

1 certification requirements of subparagraph (A),
2 the Secretary shall take into consideration the
3 housing needs in such State or qualified metro-
4 politan city of families whose income does not
5 exceed 30 percent of area median income.

6 (e) USE FOR RURAL AREAS.—A qualified State re-
7 ceiving any grant or loan amounts under this Act that in-
8 cludes any rural areas shall use a portion of its grant and
9 loan authority amount for eligible activities located in
10 rural areas that is proportionate to the identified need for
11 such activities in such rural areas.

Page 16, line 3, strike “The Secretary shall retain a lien” and insert “A qualified State, or at its election, a qualified metropolitan city, shall record a lien in the name of the Secretary”.

Page 16, strike line 12, and insert the following:

12 (g) VOUCHER NONDISCRIMINATION.—

13 (1) PROSPECTIVE TENANTS.—A recipient of

Page 16, after line 18, insert the following:

14 (2) CURRENT TENANTS.—In the case of any
15 qualified foreclosed housing for which funds made
16 available under the Act are used and in which a re-
17 cipient of assistance under section 8(o) of the U.S.
18 Housing Act of 1937 resides at the time of acquisi-

1 tion or financing, the owner and any successor in in-
2 terest shall be subject to the lease and to the hous-
3 ing assistance payments contract for the occupied
4 unit. Vacating the property prior to sale shall not
5 constitute good cause for termination of the tenancy
6 unless the property is unmarketable while occupied
7 or unless the owner or subsequent purchaser desires
8 the unit for personal or family use. This paragraph
9 shall not preempt any State or local law that pro-
10 vides more protection for tenants

Page 19, line 2, after the period insert the following:
“In the case of a for-profit owner, this section shall be
applied by substituting ‘50 percent’ for ‘20 percent’.”

Page 19, line 9, strike “45-day” and insert “120-
day”.

Page 19, line 17, strike “12-month” and insert “24-
month”.

Page 20, line 4, strike “3 months” and insert “5
months”.

Page 20, after line 4, insert the following (and re-
designate succeeding sections, and any references to such
sections, accordingly):

1 **SEC. 10. SERVICER CONTACT.**

2 The servicer of a federally related mortgage loan (as
3 such term is defined in section 3 of the Real Estate Settle-
4 ment Procedures Act of 1974 (12 U.S.C. 2602)) shall no-
5 tify the unit of general local government in which the
6 property securing the mortgage is located upon becoming
7 responsible for a qualified foreclosed property and provide
8 such unit of general local government with the name and
9 24-hour contact information of a representative authorized
10 to negotiate purchases.

Page 20, line 11, after “information” insert “, in-
cluding information about the location and type of as-
sisted properties and the income of families purchasing or
renting housing assisted under this title,”.

Page 20, line 15, after “qualified State” insert “or
qualified metropolitan city”.

Page 20, line 19, after “State” insert “or qualified
metropolitan city”.

Page 20, after line 20, insert the following:

11 (c) **HOLD HARMLESS.**—Notwithstanding subsection
12 (b), a State shall not be required to reimburse the Treas-
13 ury of the United States for any misused funds such State
14 is required to allocate to a qualified metropolitan city
15 under section 5(f).

Page 21, strike “that” in line 6 and all that follows through “(A)” in line 7.

Page 21, line 7, strike “20” and insert “64”.

Page 21, strike the semicolon in line 7 and all that follows through “vacant” in line 9.

Page 22, line 2, strike “or vacated”.

Page 22, line 13, strike “90 percent” and insert “110 percent”.

Page 2, line 3, after “States” insert “, metropolitan cities, and urban counties”.

Page 2, line 10, after “States” insert “, metropolitan cities, and urban counties”.

Page 3, line 4, after the period insert the following: “A State shall reallocate amounts under subsection (f) or (g) of section 5 only to a qualified metropolitan city or qualified urban county, respectively, that has submitted to the Secretary a plan that meets the requirements under this section and has been approved under this section.”.

Page 3, line 4, strike “State housing finance agency” and insert “housing finance agency of the allocation recipient”.

Page 4, after line 5, insert the following (and redesignate succeeding paragraphs accordingly):

1 (6) give priority emphasis and consideration to
2 metropolitan areas, metropolitan cities, urban areas,
3 rural areas, low- and moderate-income areas, census
4 tracts and other areas having the greatest need, in-
5 cluding those—

6 (A) with the greatest percentage of home
7 foreclosures;

8 (B) with the highest percentage of homes
9 financed by a subprime mortgage loan over 90
10 days delinquent; or

11 (C) identified by the State, qualified met-
12 ropolitan city, or unit of general local govern-
13 ment as likely to face a significant rise in the
14 rate of home foreclosures.

Page 5, line 12, strike “governor of the State” and insert “chief executive office of the allocation recipient”.

Page 5, line 20, strike “15-day” and insert “30-day”.

Page 5, line 25, strike “15-day” and insert “30-day”.

Page 7, line 18, after “housing” insert “ and subprime mortgage loans for single family housing that are over 90 days delinquent”.

Page 7, line 22, after “foreclosures” insert “and such delinquent subprime mortgage loans”.

Page 8, line 7, after “housing” insert “and subprime mortgage loans for single family housing that are over 90 days delinquent”.

Page 8, line 11, after “foreclosures” insert “and such delinquent subprime mortgage loans”.

Page 9, line 5, before “a portion” insert “for which there is an approved plan”.

Page 9, line 9, after “housing” insert “and subprime mortgage loans for single family housing that are over 90 days delinquent”.

Page 9, line 13, after “foreclosures” insert “and such delinquent subprime mortgage loans”.

Page 9, after line 17, insert the following:

1 (g) REQUIREMENT TO ALLOCATE TO QUALIFIED
2 URBAN COUNTIES.—Of any grant amounts and loan au-
3 thority amounts allocated pursuant to this section for a
4 State, such State shall allocate for each qualified urban

1 county located in such State for which there is an ap-
2 proved plan a portion of such grant amounts and such
3 loan authority amounts that bears the same ratio to such
4 grant amounts and loan authority amounts, respectively,
5 allocated for the State as the number of foreclosures on
6 mortgages for single family housing and subprime mort-
7 gage loans for single family housing that are over 90 days
8 delinquent occurring in such qualified urban county dur-
9 ing the most recently completed four calendar quarters for
10 which such information is available, as determined by the
11 Secretary, bears to the aggregate number of such fore-
12 closures and such delinquent subprime mortgage loans oc-
13 ccurring in the State during such calendar quarters. A
14 State may adjust such allocation to account for differences
15 between median single family housing prices in the State
16 and in qualified urban counties in the State.

17 (h) ALLOCATION EXCEPTION.—If allocation of a
18 combined grant and loan authority amount pursuant to
19 subsection (f) or (g) to a qualified metropolitan city or
20 qualified urban county would be less than \$10,000,000,
21 a State may, but is not required to, allocate such grant
22 and loan authority amount to such qualified metropolitan
23 city or qualified urban county, and the allocation for such
24 State shall be increased by the grant and loan authority

1 amount not allocated to such qualified metropolitan city
2 or qualified urban county.

Page 9, line 21, strike “a qualified State” and insert
“the area of an allocation recipient”.

Page 9, line 25, strike “qualified State” and insert
“allocation recipient”.

Page 10, line 10, strike “a qualified State” and in-
sert “the area of an allocation recipient”.

Page 10, line 18, strike “a qualified State” and in-
sert “the area of an allocation recipient”.

Page 11, line 14, strike “qualified State” and insert
“allocation recipient”.

Page 12, line 7, strike “a qualified State” and insert
“an allocation recipient”.

Page 13, line 21, strike “a qualified State” and in-
sert “an allocation recipient”.

Page 14, line 12, strike “a State” and insert “an al-
location recipient”.

Page 14, line 15, after “section 5(a)” insert “or
subsection (f) or (g) of section 5, as applicable,”.

Page 14, line 17, after “section 5(b)” insert “or
subsection (f) or (g) of section 5, as applicable”.

Page 14, after line 17, insert the following:

1 (4) HOUSING REHABILITATION.—For activities
2 set forth in subsection (a)(3), except that an alloca-
3 tion recipient shall not use more than 20 percent of
4 a grant amount allocation for such activities.

Page 15, lines 6 and 7, strike “a State or qualified metropolitan city” and insert “an allocation recipient”.

Page 15, lines 14 and 15, strike “a State or qualified metropolitan city” and insert “an allocation recipient”.

Page 15, lines 22 and 23, strike “a State or qualified metropolitan city” and insert “an allocation recipient”.

Page 15, lines 23 and 24, strike “State or city” and insert “allocation recipient”.

Page 19, line 4, strike “qualified State” and insert “allocation recipient”.

Page 19, line 20, strike “a qualified State” and insert “an allocation recipient”.

Page 19, lines 23 and 24, strike “a State” and insert “an allocation recipient”.

Page 20, line 6, strike “qualified State” and insert “allocation recipient”.

Page 20, line 15, strike “a qualified State” and insert “an allocation recipient”.

Page 20, after line 23, insert the following (and redesignate succeeding paragraphs accordingly):

- 1 (1) ALLOCATION RECIPIENT.—The term “allo-
- 2 cation recipient” means—
- 3 (A) a qualified State;
- 4 (B) a qualified metropolitan city for which
- 5 there is an approved plan; and
- 6 (C) a qualified urban county for which
- 7 there is an approved plan.

Page 21, lines 11 and 12, strike “a qualified State” and insert “an allocation recipient”.

Page 21, line 14, after “section 5(b)” insert “or subsection (f) or (g) of section 5, as applicable,”

Page 23, line 6, strike “25” and insert “100”.

Page 23, after line 11, insert the following (and redesignate succeeding paragraphs accordingly):

- 8 (8) QUALIFIED URBAN COUNTY.—The term
- 9 “qualified urban county” means an urban county, as

1 such term is defined in section 102 of the Housing
2 and Community Development Act of 1974 (42
3 U.S.C. 5302), that is among the 50 most populous
4 urban counties in the United States, as deter-
5 mined—

6 (A) according to data from the most recent
7 decennial census; and

8 (B) excluding the population of any quali-
9 fied metropolitan city within such urban county,
10 unless such metropolitan city has agreed to
11 have its population included with the population
12 of the county for the purposes of this Act.

Page 24, strike lines 1 and 2, and insert the fol-
lowing:

13 (14) ALLOCATION RECIPIENT ADMINIS-
14 TRATOR.—The term “allocation recipient adminis-
15 trator” means the entity of an allocation recipient

Strike “State” and insert “allocation recipient” each
place such term appears in each of the following places:
Page 3, lines 3, 8, 9, 13, and 22; Page 4, lines 2 and
12. Page 5, lines 2, 10, and 25; Page 6, lines 7 and 9;
Page 9, line 22; Page 10, lines 3, 7, and 13; Page 11,
lines 12 and 19; Page 12, line 8; Page 13, line 22; Page

14, lines 9, 15, and 16; Page 19, line 10; Page 20, line 19; Page 21, lines 2 and 14; Page 24, line 4.

